Benefits Made Easy by PXACALC

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Course ID 895

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Session Rules of Etiquette

- Please turn off your cell phone/pager
- If you must leave the session early, please do so as discreetly as possible
- Please avoid side conversation during the session
- If you consume any beverages during the session, you must have enough for everyone present. This includes the presenters.
- Please feel free to share any gambling tips you have with the class. If we lose, we will find you.

Session Ojbectives:

- Gain a functional understanding of the PXACALC form;
  - **When, Why, and How….**
- Review examples of how PXACALC has been used to solve real client deduction issues, and;
- Discuss your questions on how you might use PXACALC to solve your benefit/deduction calculation issues.

What is PXACALC?

- Tax Rule Form developed for custom tax calculations not delivered or supported by baseline Banner.
- Although it's a tax rule form, its uses are not limited to tax calculations.
- Supported by other rule forms, such as PXATXCD and PTRBDCA.
- Can use current or annualized applicable gross income as the start point for calculations.

The When and Why…

- **Consider Using PXACALC When:**
  - **Delivered PTRBDCA calc rules won't work for your benefit/deduction;**
  - **You want an alternative to deduction chaining;**
  - **Local or other tax tables/calculations are not delivered or maintained in baseline Banner and regulatory releases;**
  - **You need to set up a particularly "imaginative" benefit/deduction.**

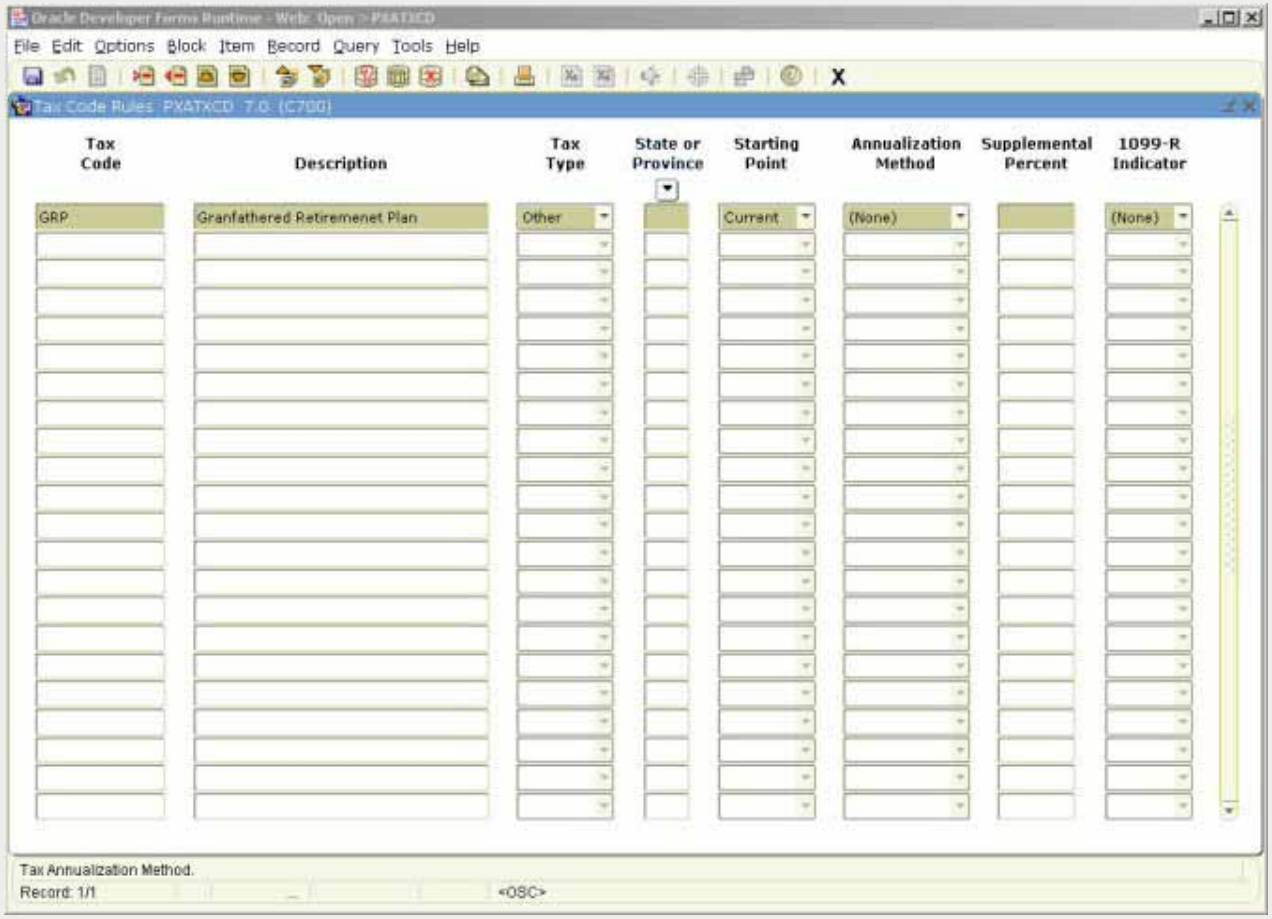
The How….

Laying the Groundwork

- Work from a written spec document, including sample calculations. This is especially important if you are not the "owner", such as IT providing support for the Benefits area.
- Review your plan with the owner(s).
- Use real-life calculation examples to test your work.
- Record what you do! It will help you to prepare your documentation.
- Whenever possible, develop in a recent copy of your Production database.
- Prove your calculations back to the examples.

Before PXACALC…

Define a tax code in PXATXCD



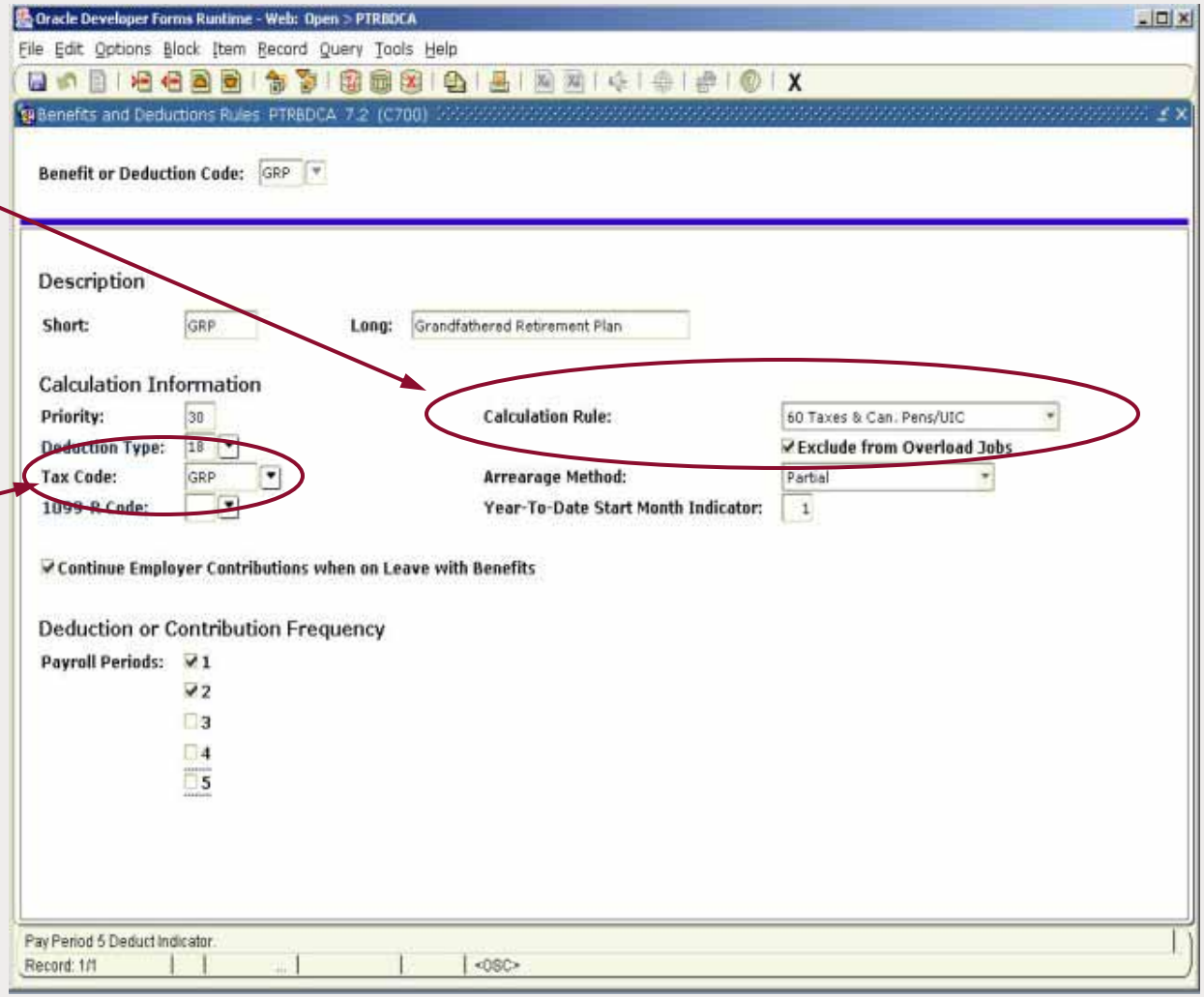
The tax code you will be using must exist here before you start working in PXACALC.

You will need to define the following in PXATXCD:

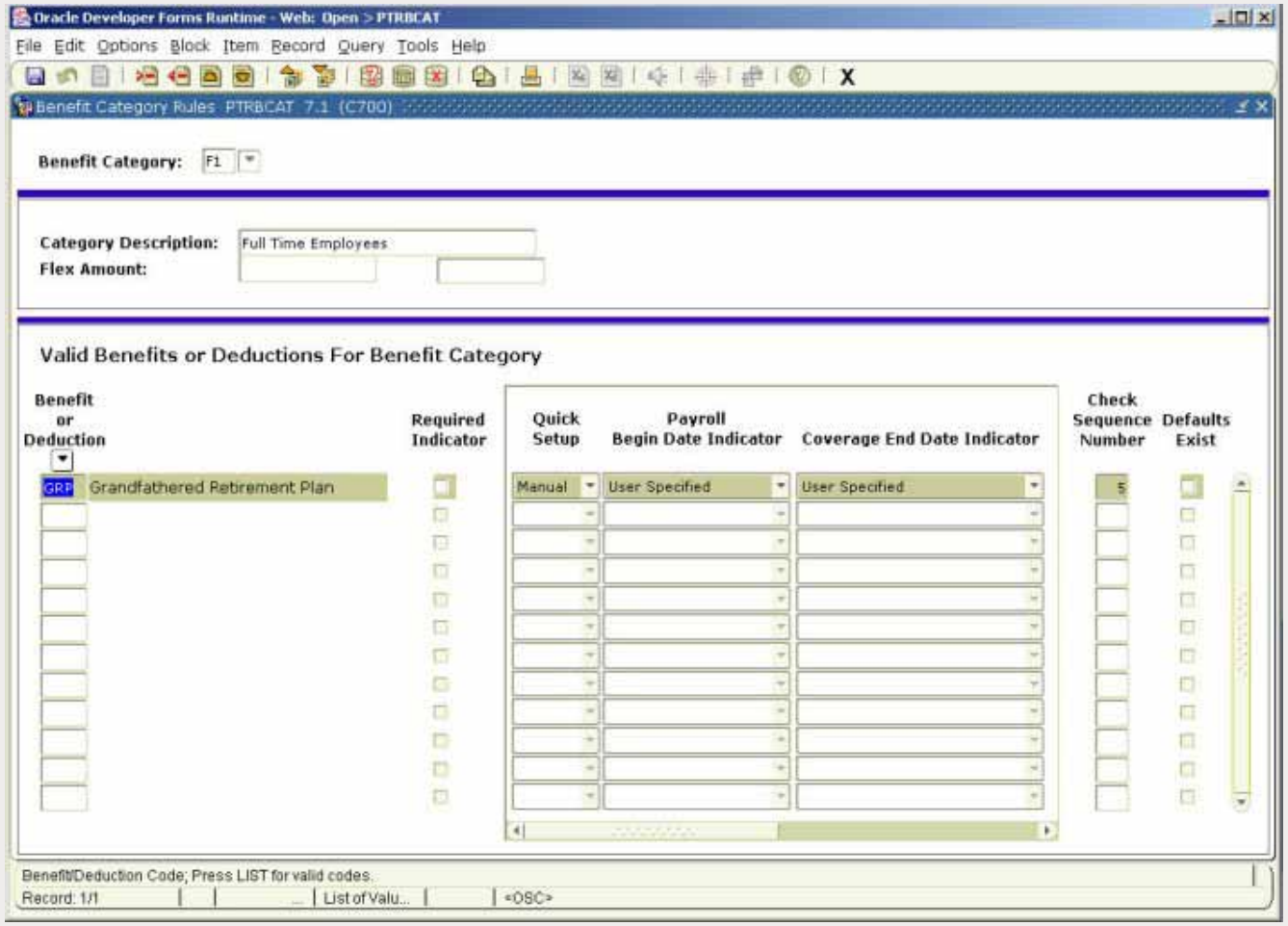
- **Tax Code and Description**
- **Tax Type (“other” for deductions that are not taxes)**
- **State/Province (if applicable)**
- **Starting Point (this will be the default starting point for your PXACALC running total)**
- **Annualization Method (if starting point is annualized)**
- **Supplemental Percent (if any)**
- **1099-R indicator (if applicable)**

Next, define a Deduction in PTRBDCA

Remember to use 60 as your calc rule, even if you are not setting up a tax deduction. Also, be sure to fill in the Tax Code you just created in the Tax Code field.



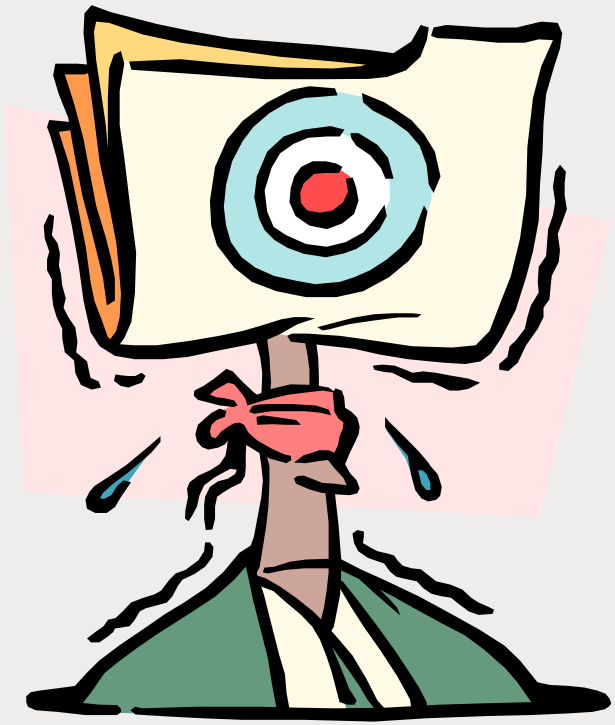
Now add your deduction to the appropriate benefit categories in PTRBCAT



Don't forget your quick set-up rules, and to use defaults whenever possible. Make things simple for the data entry team!

The Main Event…

Once you've completed all of the pre-calc set-up, you can now proceed to complete PXACALC.

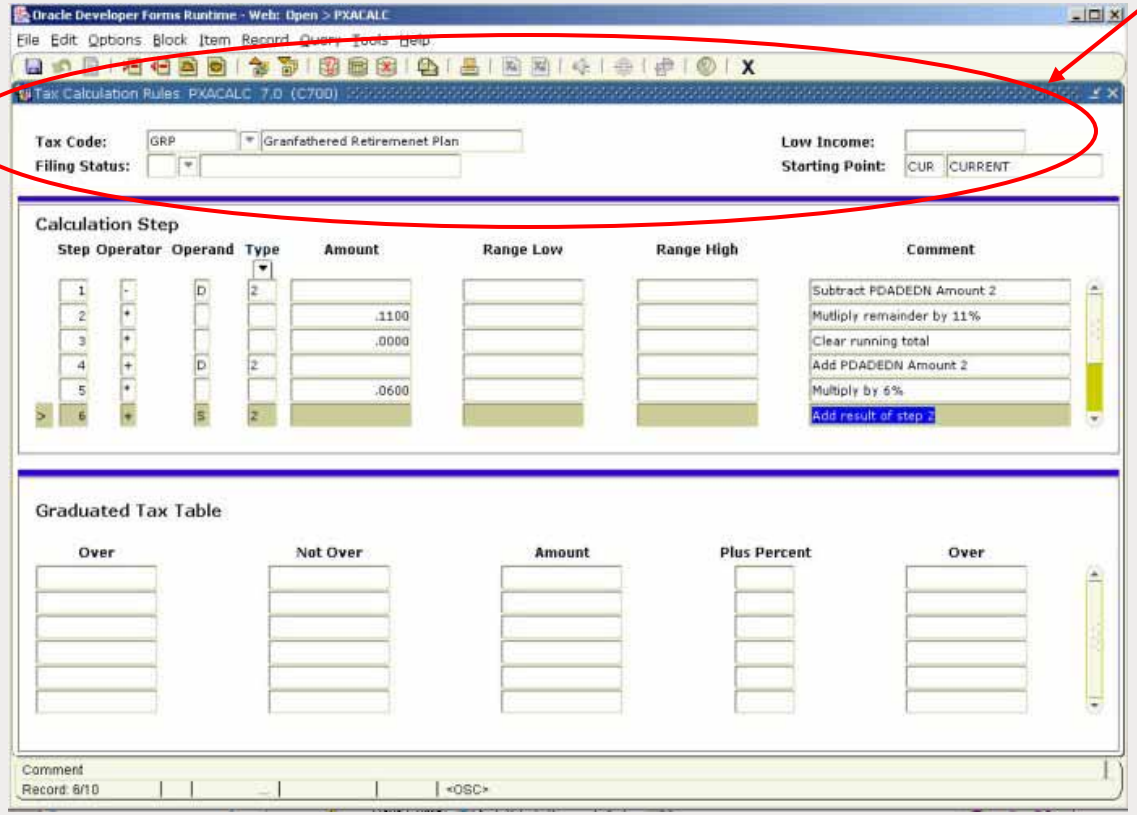


But first, some basics you'll need to know…

PXACALC Basic Points

- **The calculation works on the "running total" concept.** Each calculation step affects the running total.
- **Your "start point" is step 0.** Remember that you defined the start point when you set up PXATXCD.
- **The running total calculates employee contributions.** Employer contributions are not affected by your calculations. More on this later!

Key Block

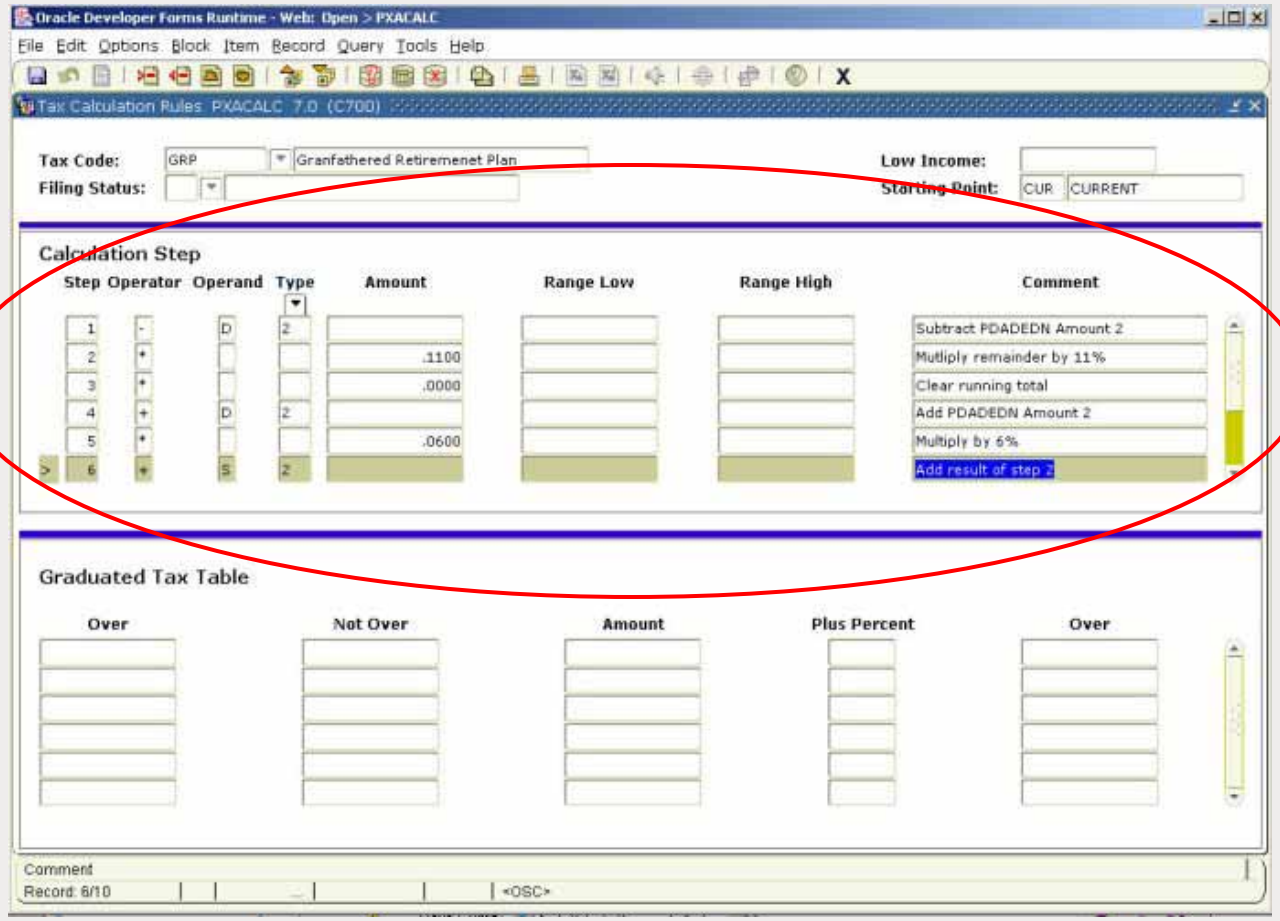

Oracle Developer Forms Runtime - Web: Open > PXACALC
File Edit Options Block Item Record Query Tools Help
Tax Calculation Rules PXACALC 7.0 (C700)
Tax Code: GRP Granfathered Retiremenet Plan
Filing Status:
Low Income:
Starting Point: CUR CURRENT
Calculation Step
Step Operator Operand Type Amount Range Low Range High Comment
1 - D 2 Subtract PDADEDN Amount 2
2 + .1100 Mutiply remainder by 11%
3 + .0000 Clear running total
4 + D 2 Add PDADEDN Amount 2
5 * .0600 Multiply by 6%
6 + S 2 Add result of step 2
Graduated Tax Table
Over Not Over Amount Plus Percent Over
Comment
Record: 6/10
<OSC>

Fill in the name of the Tax Code you created. If your dealing with a tax that has filing statuses, select the filing status your calculating. Low Income and Start Point are display only fields.

Move to the next block…

Calculation Step Block

This block is the heart of the form, and is where your running total will be calculated.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Field Definitions

- Operator: Code used to define the action to be taken on the running total.

+	Adds to running total
-	Subtracts from running total
*	Multiplies running total
/	Divides running total
R	Moves running total to employer amount

- Operand and Type: Used in combination to specify the value on which the operator action will be taken.

Operand and Type Definitions

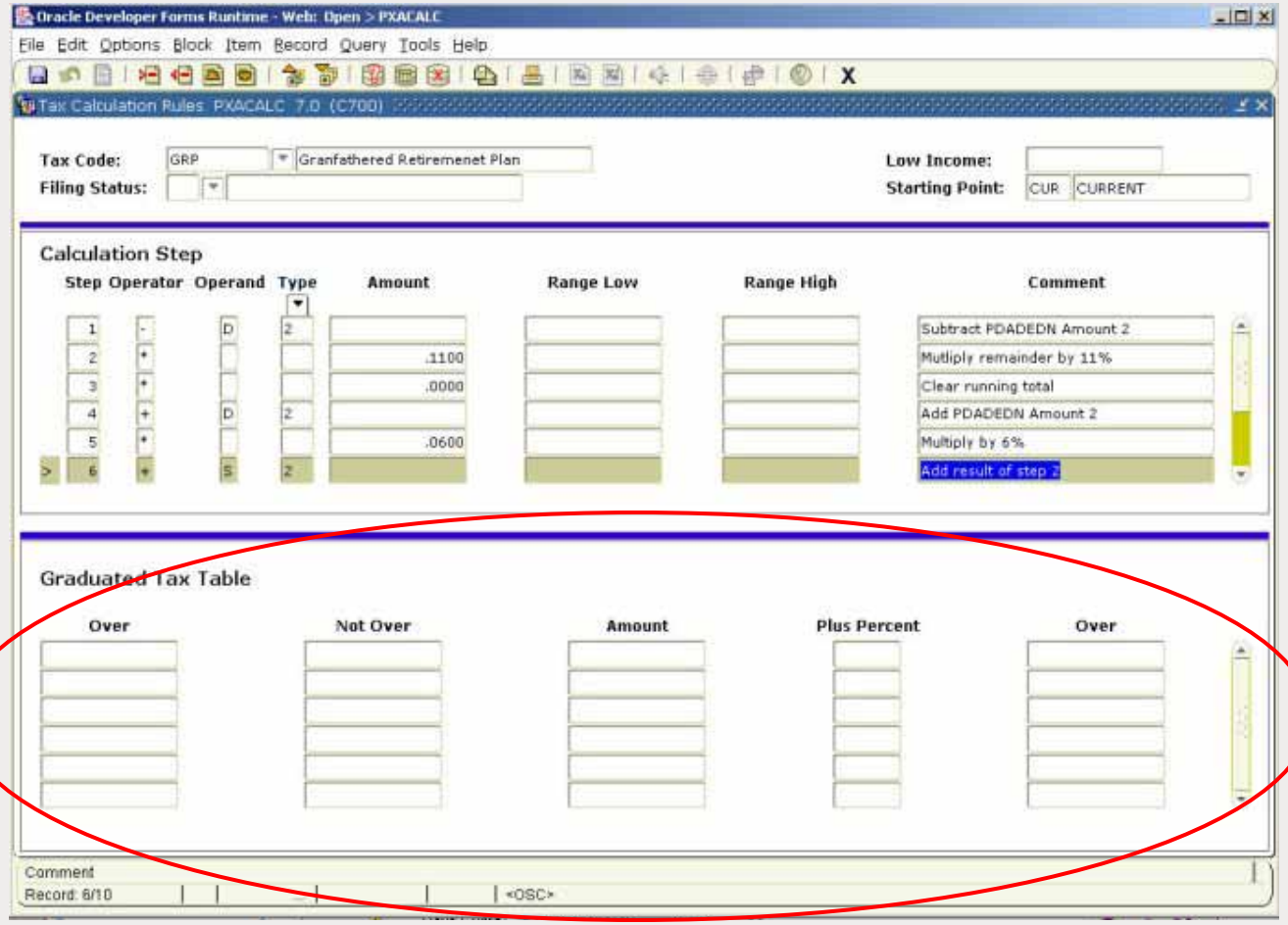
Operand	Type	Definition
A	Type Code *	Annualized Tax Amount
C	Type Code *	Current Tax Amount
D	Amount # (1, 2, 3, or 4)	Amount 1, 2, 3, or 4 from PDADEDN
H	Hours Worked	Applicable Hours
O	Option # (1 – 5)	Option 1-5 from PDADEDN
S	Step Number	Running total from step #

*** A list of type codes will appear in help.**

Other Field Definitions

- **Amount: Specifies an amount to be used as part of the calculation.**
- **Range Low: Minimum allowable value resulting from the calculation.**
- **Range High: Maximum allowable value resulting from the calculation.**
- **Comment: Brief description of what the step does (free form).**

The Graduated Tax Table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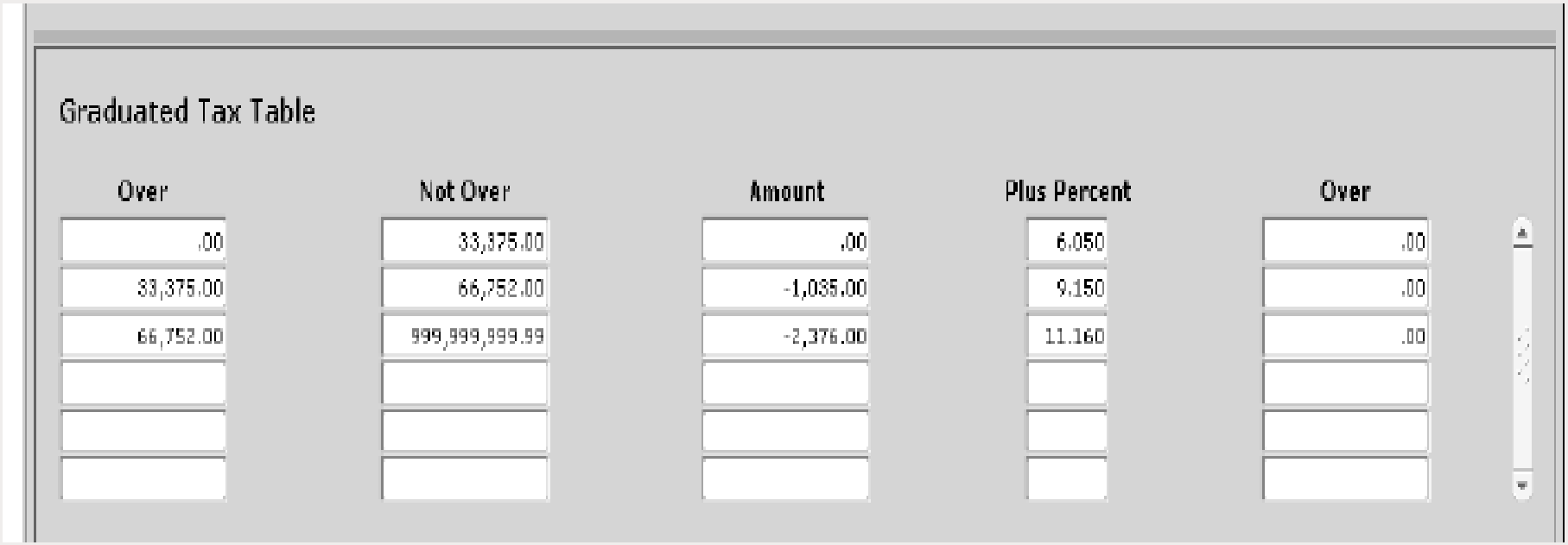
Over Not Over Amount Plus Percent Over
Comment
Record: 6/10
<OSC>

This area can be used to take the result of the previous step, find where that result falls in the table, and compute a result based on the values in the table.

Graduated Table Example



Graduated Tax Table

Over	Not Over	Amount	Plus Percent	Over
.00	33,375.00	.00	6.050	.00
33,375.00	66,752.00	-1,035.00	9.150	.00
66,752.00	999,999,999.99	-2,376.00	11.160	.00

This example from the User Manual shows how a tax table might be used. The sample instructs the calculation to take the running total and apply it to the table. The result becomes the new running total.

Some Points To Remember…

- None of the calculation step fields are mandatory when you start a line. Use as few or as many as you need for that step.

- The “R” operator moves the running total to the employer contribution. Employer contributions are NOT affected by calculation steps. Use this to your advantage!

- Know what result you expect from each calculation step. Test steps one at a time and make sure its correct before you proceed.

Client Examples

A “Unique” Retirement Plan…

Plan Specifications:

1. Only 2 eligible earn codes for applicable gross.
2. Contributions based on actual earnings, not salary.
3. Employee contribution is 5% of applicable gross.
4. Employer contribution calculated as follows:
   - 6% of eligible earnings up to an amount equal to half of the Client median salary, plus
   - 11% of eligible earnings exceeding half of the Client median salary.
5. No eligible employees with a salary that was below the half of median pay figure.
6. Grandfathered plan – no new members entering.

Pre-PXACALC Set-Up

- Set up tax code in PXATXCD
  - Tax Code: GRP
  - Description: Granfathered Retirement Plan
  - Tax Type: Other
  - State/Prov: Null
  - Starting Point: Current
  - Annualization Method: None
  - Supplemental Percent: Null
  - 1099-R Indicator: None
- Set up PTRBDCA
  - Amount 2 set up as required entry to accept value for 1/24th of 50% of Client median income

PTRBDCA Values

Field Name	Value
Benefit/Deduction Code	“GRP”
Short	“GRP”
Long	“Grandfathered Retirement Plan”
Priority	“20” (or any desired pre-tax priority)
Deduction Type	“18” (Retirement)
Tax Code	“GRP”
1099-R Code	NULL
Calc Rule	60 Taxes & Can. Pens/UIC
Exclude from Overload Jobs	Checked (as per client)
Arrears Method	Partial (or as desired by client)
Year-to-Date Start Month Indicator	“1”
Continue Employer Contribution While on Leave with Benefits?	Checked (as per client)
Deduction/Contribution Frequency	Pay periods 1 and 2 checked, all others un-checked

More Pre-Calc Set-Up

- Added “GRP” BDCA code to appropriate benefit categories in PTRBCAT
    - Quick set-up option “manual” with user specified begin and end dates
    - Benefit/Deduction begin and end dates as required
    - Set up default for Amount 2 with value for 1/24th of 50% of median income
- The value for Amount 2 is calculated by the client and updated annually

PXACALC Solution

Step	Operator	Operand	Type	Amount	Comment
1	NULL	S	0	NULL	Pull in current earnings
2	-	D	2	NULL	Subtract PDADEDN Amount 2
3	*	NULL	NULL	.11	Multiply remainder by 11%
4	*	NULL	NULL	0	Clear running total
5	NULL	D	2	NULL	Pull in PDADEDN Amount 2
6	*	NULL	NULL	.06	Multiply by 6%
7	+	S	3	NULL	Add result of Step 3
8	R	NULL	NULL	NULL	Shift result to employer amount
9	*	NULL	NULL	0	Clear employee amount
10	NULL	S	0	NULL	Pull in current earnings
11	*	NULL	NULL	.05	Calc employee contribution

NOTE: All Range High & Range Low fields are NULL. No Graduated Tax Tables.

Step 1 was later removed in the final application of the solution.

Required Client Maintenance

- Client updates 50% of median salary figure annually, and computes 1/24th.
- Default Benefit/Deductions value in PTRBCAT updated with new figure.
- DEDN record for Amount 2 updated with new figure for all employees with benefit assigned. This effective-dated record can be input manually (in this example, the client only had 78 employees with the deduction), or can be updated via SQL script.
- In this case, we recommended manual updating of the DEDN record, as client has at least 2 effective dates for the median salary change and has a minimal number of employees eligible for this benefit.

Thoughts for This Solution…

- Normal maintenance does not ever require touching PXACALC if the plan parameters remain the same.
- Maintenance is only required as median salary figure is updated.
- Since no eligible employees had salaries below the 50% median income figure, graduated tables or range low and high figures were not necessary.
- Grandfathered benefit – unlikely to change, no new eligible employees.

Points to Go Home With…

- **Don’t be afraid to use PXACALC! It’s a powerful tool to have in your toolbox.**
- **Test your calculations step-by-step. Don’t wait until the end and then try and de-bug.**
- **Document everything you do. Produce a document telling what you did, how you did it, and how to maintain it.**
- **Prove your calculations back to the spec document examples.**

Questions?

Thank You!

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Course ID 895

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